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JEFFERSON PERFORMING ARTS SOCIETY

FINANCIAL REPORT

JUNE 30, 2006 and 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-6-07

JEFFERSON PERFORMING ARTS SOCIETY

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Reginald A. Bresette, III
Limited Liability Company

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

Reginald A. Bresette, III, CPA

INDEPENDENT AUDITOR'S REPORT

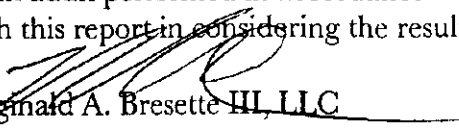
To the Board of Directors
Jefferson Performing Arts Society

We have audited the accompanying statements of financial position of Jefferson Performing Arts Society (the Company)(a nonprofit organization) as of June 30, 2006 and 2005, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Performing Arts Society as of June 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 16, 2007, on our consideration of Jefferson Performing Arts Society's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.


Reginald A. Bresette III, LLC
Certified Public Accountants

May 16, 2007

JEFFERSON PERFORMING ARTS SOCIETY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2006 and 2005

	<u>ASSETS</u>	
	<u>2006</u>	<u>2005</u>
Current Assets		
Cash and cash equivalents	\$ 125,091	\$ 111,198
Investments (Note 3)	104,382	97,657
Accounts receivable	48,150	59,668
Prepaid expenses	16,550	7,667
Unconditional promise to give (Note 4)	28,507	29,932
Total Current Assets	322,680	306,122
Assets restricted to investment in property, furniture and equipment at cost, less accumulated depreciation (Note 5)	154,582	167,368
Long - term unconditional promise to give (Note 4)	161,506	190,013
Total Assets	<u>\$ 638,768</u>	<u>\$ 663,503</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 21,328	\$ 40,328
Bank line of credit (Note 6)	25,451	92,137
Unearned revenue (Note 7)	35,520	35,115
Mortgage payable	8,467	7,975
Note Payable	6,388	9,892
Total Current Liabilities	97,154	185,447
Mortgage payable, net of current maturities (Note 9)	44,648	54,835
Note payable, net of current maturities (Note 8)		6,991
Total Liabilities	<u>141,802</u>	<u>247,273</u>
Net Assets		
Unrestricted	98,905	(108,706)
Temporarily restricted by donors (Note 11)	293,680	427,279
Permanently restricted by donors (Note 12)	104,381	97,657
Total Net Assets	<u>496,966</u>	<u>416,230</u>
Total Liabilities and Net Assets	<u>\$ 638,768</u>	<u>\$ 663,503</u>

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2006 and 2005

	2006			2005				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenues and Reclassifications								
Public support:								
Contributions	\$ 363,996			\$ 363,996	\$ 401,031			\$ 401,031
Grant - Jefferson Parish	50,000			50,000	100,000			100,000
Grant - State of Louisiana	63,050			63,050	52,330			52,330
Grant - City of Westwego					\$ 311,000			311,000
Program sponsorship					4,250			4,250
Total Public Support	477,046			477,046	557,611	311,000		868,611
Revenues:								
Program service revenue	\$ 443,406			\$ 443,406	966,117			966,117
Membership dues	2,240			2,240	5,750			5,750
Investment income (Note 3)	373		\$ 2,121	2,494	755		\$ 1,967	2,722
Unrealized gain (Note 3)			4,895	4,895			5,079	5,079
Miscellaneous	11,858			11,858	13,490			13,490
Total revenue	457,877		7,016	464,893	986,112		7,046	993,158
Reclassifications:								
Net assets released from restrictions (Note 11)								
Expiration of time restrictions	133,599	\$ (133,599)			135,094	(135,094)		
Total Reclassifications	133,599	(133,599)			135,094	(135,094)		
Total Public Support, Revenues and Reclassifications	1,068,522	(133,599)	7,016	941,939	1,678,817	175,906	7,046	1,861,769

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2006 and 2005

	<u>2006</u>			<u>2005</u>				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Expenses								
Program Services (Note 14)	\$ 678,394			\$ 678,394	\$ 1,587,180			\$ 1,587,180
Total Program Services	678,394			678,394	1,587,180			1,587,180
Supporting Services:								
Management and general	157,851		\$ 292	158,143	229,701		\$ 320	230,021
Fund Raising	24,666			24,666	74,309			74,309
Total Supporting Services	182,517		292	182,809	304,010		320	304,330
Total Expenses	860,911		292	861,203	1,891,190		320	1,891,510
Increase (Decrease) in Net Assets	207,611	\$ (133,599)	6,724	80,736	(212,373)	\$ 175,906	6,726	(29,741)
Net assets at beginning of year	(108,706)	427,279	97,657	416,230	103,667	251,373	90,931	445,971
Net assets at end of year	\$ 98,905	\$ 293,680	\$ 104,381	\$ 496,966	\$ (108,706)	\$ 427,279	\$ 97,657	\$ 416,230

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY

**STATEMENTS OF CASH
FLOWS**

FOR THE YEARS ENDED JUNE 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Cash received from City of Westwego grant	\$ -	\$ 311,000
Cash received from Jefferson Parish grant	50,000	100,000
Cash received from State of Louisiana grant	63,271	52,330
Cash collected from contributions and program sponsorship	352,194	394,605
Cash received from program services	468,083	949,056
Cash received from members for dues	2,240	5,750
Investment income received	373	755
Other cash received	11,858	13,490
Salaries	(189,714)	(441,272)
Fringe benefits	(88,761)	(99,054)
Professional fees and contract services	(185,325)	(458,405)
Supplies and materials	(89,002)	(272,719)
Telephone	(16,187)	(17,001)
Postage and shipping	(8,532)	(27,222)
Occupancy	(70,743)	(57,283)
Rental and maintenance of equipment	(52,190)	(118,810)
Printing, publications and visual aids	(14,098)	(22,814)
Travel, conferences, conventions and meetings	(11,329)	(61,872)
Miscellaneous	(50,484)	(71,893)
Interest	(10,409)	(7,152)
Promotion and advertising	<u>(60,476)</u>	<u>(159,979)</u>
 Net cash provided (used) by operating activities	 <u>100,769</u>	 <u>11,510</u>
Cash flows from investing activities:		
Acquisition of fixed assets		<u>(36,118)</u>
 Net cash used by investing activities		 <u>(36,118)</u>
Cash flows from financing activities:		
Proceeds of note payable	-	18,119
Proceeds of credit line advance	8,314	107,137
Payments on mortgage payable	(9,695)	(9,132)
Payments on credit line	(75,000)	(19,486)
Payment on note payable	<u>(10,495)</u>	<u>(1,236)</u>
 Net cash provided (used) by financing activities	 <u>(86,876)</u>	 <u>95,402</u>
 Net increase (decrease) in cash	 13,893	70,794
 Cash - beginning of year	 <u>111,198</u>	 <u>40,404</u>
 Cash - end of year	 <u><u>\$ 125,091</u></u>	 <u><u>\$ 111,198</u></u>

(See accompanying financial statements)

JEFFERSON PARFORMING ARTS SOCIETY

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ 80,736	\$ (29,741)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	12,786	14,028
Net unconditional promises to give	29,932	31,429
Decrease (increase) in receivables	11,518	(25,492)
Decrease (increase) in prepaid expenses	(8,883)	8,097
Increase (decrease) in accounts payable	(19,000)	19,350
Increase (decrease) in unearned revenue	405	565
Unrealized gains on investments in endowment	(4,896)	(5,079)
Income earned by endowment	(2,121)	(1,967)
Administration fees in endowment	292	320
Net cash provided (used) by operating activities	<u>\$ 100,769</u>	<u>\$ 11,510</u>
Supplemental data:		
Interest paid	<u>\$ 10,409</u>	<u>\$ 7,152</u>

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2006 and 2005

	2006			2005				
	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING	TOTAL
Salaries	\$ 135,073	\$ 37,453	\$ 17,188	\$ 189,714	\$ 313,791	\$ 71,208	\$ 56,273	\$ 441,272
Employee benefits and payroll taxes	65,031	16,252	7,478	88,761	70,438	15,984	12,632	99,054
Total salaries and related expenses	200,104	53,705	24,666	278,475	384,229	87,192	68,905	540,326
Professional fees and contract services	135,060	23,482		158,542	464,121	30,311		494,432
Supplies and materials	80,102	8,900		89,002	245,447	27,272		272,719
Telephone	12,950	3,237		16,187	13,080	3,270		16,350
Postage and shipping	8,532			8,532	26,754			26,754
Occupancy	83,010	20,733		103,743	69,552	17,388		86,940
Rental and maintenance of equipment	42,323	9,867		52,190	99,145	16,786		115,931
Printing, publications and visual aids	12,318	1,780		14,098	12,858	9,956		22,814
Travel, conferences, conventions and meetings	3,159	8,170		11,329	51,009	10,863		61,872
Miscellaneous	45,650	2,523		48,173	59,617	3,408	5,404	68,429
Membership dues		2,550		2,550		2,395		2,395
Interest		10,409		10,409		7,152		7,152
Volunteer expenses	53			53	1,389			1,389
Promotion and advertising	55,133			55,133	159,979			159,979
Depreciation and amortization		12,787		12,787		14,028		14,028
	\$ 678,394	\$ 158,143	\$ 24,666	\$ 861,203	\$ 1,587,180	\$ 230,021	\$ 74,309	\$ 1,891,510

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

STATEMENT OF PURPOSE

Jefferson Performing Arts Society (JPAS) is one of Louisiana's fastest growing and Jefferson Parish's largest multi-dimensional arts organization. Through numerous associated activities, JPAS offers members of the metropolitan New Orleans community an opportunity for cultural enrichment, arts education, and professional entertainment in symphonic and vocal music, theater, dance, and children's programs. JPAS offers the young person as well as the adult an opportunity for personal growth and artistic expression through these activities. JPAS provides the artist as well as the audience the cultural nurturing necessary to create the whole person. Finally, it is the dream of JPAS to serve as the catalyst to construct a major facility from which to present its programs and enhance the quality of life in this community.

During the past year JPAS expanded its outreach to include the west bank of Jefferson Parish through the management of the new Westwego Performing Arts Theatre and the Westwego Community Center which we have re-named Teatro Wego! Dinner Theatre.

ASSOCIATED ACTIVITIES

JPAS Symphony Orchestra
JPAS Chamber Orchestra
JPAS Symphony Chorus
JPAS Children's Chorus and Youth Chorale
JPAS Ballet
Arts Adventure Series
JPAS Theatre Wing
JPAS Broadway Pit Orchestra
JPAS Opera Theater
"SWAT" Stage Without a Theatre
Cultural Crossroads
JPAS Summer Musical Theatre Workshops
Westwego Performing Arts Theatre
Teatro Wego! Dinner Theatre

The financial statements of Jefferson Performing Arts Society are prepared on the accrual basis of accounting and in accordance with the recommendations of the American Institute of Certified Public Accountants. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The significant accounting policies followed are described below:

a) Organization

Jefferson Performing Arts Society is a non-profit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1986, and qualifies as an organization that is not a private foundation as defined in Section 509 (a) of the Code. It is exempt from Louisiana income tax under the authority of R.S.47:121 (5).

b) Contributions and Revenue Recognition

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

c) Property, Furniture, Equipment, and Leasehold Improvements

All property, furniture, equipment and leasehold improvements are recorded at cost. Furniture and equipment depreciation is computed using different basis over estimated useful lives of 5 to 7 years. Leasehold improvements are depreciated over an estimated useful life of 10 years. The building is depreciated over an estimated useful life of 39 years.

d) In – Kind Support

JPAS occupies an office at 1118 Clearview Parkway in Metairie, Louisiana under a long-term lease. An annual rental of \$1 is paid by JPAS. The estimated approximate fair value of the annual rental is \$33,000 and it is included in the statement of activities as public support and expenses.

JPAS also occupies the auditorium at East Jefferson High School for scheduled performance dates throughout the fiscal year. No rent is paid by JPAS for the long-term agreement that extends to September 1, 2015. No amounts have been recognized in the accompanying statement of activities because no criteria for recognition of such in-kind support has been satisfied under SFAS No. 116, Accounting for Contributions Received and Contributions Made. The in-kind support of the Jefferson Parish School Board includes the use of the facility and all costs and expenses associated with the use of the facility by JPAS for any and all events scheduled by it. The amount of the support is not readily determinable on an annual basis.

e) Income Taxes

Jefferson Performing Arts Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities.

Therefore, Jefferson Performing Arts Society has made no provision for federal income taxes in the accompanying financial statements. In addition, Jefferson Performing Arts Society has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 501(a) of the Internal Revenue Code.

f) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

g) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

h) Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

i) Investments

Investments are composed of mutual funds invested in equity securities and are carried at fair value.

NOTE 2 – DONATED SERVICES

The value of donated volunteer services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in the JPAS program service area.

NOTE 3 – INVESTMENTS

Investments as of June 30, 2006 and 2005 are summarized as follows:

	<u>2006</u>			<u>2005</u>		
	<u>COST</u>	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>	<u>COST</u>	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>
Permanently Restricted:						
Endowment Fund						
Investments	<u>\$75,441</u>	<u>\$104,382</u>	<u>\$104,382</u>	<u>\$75,441</u>	<u>\$97,657</u>	<u>\$97,657</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2006 and 2005:

	<u>2006</u>			<u>2005</u>		
	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$ 373	\$ 2,121	\$2,494	\$ 755	\$ 1,967	\$2,722
Unrealized gains		<u>4,895</u>	<u>4,895</u>		<u>5,079</u>	<u>5,079</u>
Total investment						
Return	<u>\$ 373</u>	<u>\$ 7,016</u>	<u>\$7,389</u>	<u>\$ 755</u>	<u>\$ 7,046</u>	<u>\$7,801</u>

NOTE 4 – UNCONDITIONAL PROMISE TO GIVE

JPAS occupies an office at 1118 Clearview Parkway in Metairie, Louisiana. An annual rental of \$1 is paid by JPAS under a long – term lease. The lease was renewed for ten years effective April 15, 2004. The estimated approximate fair value of the annual rental is \$33,000 under the new lease and \$27,600 under the old lease. The new lease represents an unconditional promise to give by the Parish of Jefferson to JPAS for the next ten years. This unconditional promise to give at June 30, 2006 and 2005, is as follows:

	<u>2006</u>	<u>2005</u>
Receivable in less than one year	\$ 33,000	\$ 33,000
Receivable in more than one year	<u>225,390</u>	<u>258,390</u>
Total Unconditional Promise To Give	258,390	291,390
Less discounts to net present value	<u>(68,377)</u>	<u>(71,445)</u>
Net Unconditional Promise To Give	<u>\$ 190,013</u>	<u>\$ 219,945</u>

NOTE 5 – PROPERTY, FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, furniture, equipment and leasehold improvements at cost, and accumulated depreciation at June 30, 2006 and 2005 are summarized as follows:

	<u>2006</u>	<u>2005</u>
Equipment and furniture	\$ 249,302	\$ 249,302
Leasehold improvements	67,230	67,230
Land	112,341	112,341
Building	<u>29,863</u>	<u>29,863</u>
	458,736	458,736
Less accumulated depreciation	<u>(304,154)</u>	<u>(291,368)</u>
Net book value	<u>\$ 154,582</u>	<u>\$ 167,368</u>

NOTE 6 – BANK LINE OF CREDIT

The Company has a bank line of credit which provides short-term borrowings up to \$100,000. Interest and principle on advances is payable monthly at the prime rate plus 1%, not to exceed a maximum annual rate of 21%. The outstanding balance is \$25,451 as of June 30, 2006 and \$92,137 as of June 30, 2005.

NOTE 7 – UNEARNED REVENUE

A summary of unearned revenue follows:

	<u>2006</u>	<u>2005</u>
Ticket sales for performances and events in the next fiscal year	\$ <u>35,520</u>	\$ <u>35,115</u>

NOTE 8 – NOTE PAYABLE

The company financed the purchase of a vehicle during the fiscal year. Interest and principle payments are payable monthly for 24 payments. The outstanding balance is \$6,388 as of June 30, 2006.

NOTE 9 – LEASE COMMITMENTS

On May 18, 1994, JPAS signed a lease with the Parish of Jefferson for Parish owned property at 1118 Clearview Parkway. The term of the lease is for 10 years commencing on April 15, 1994, with an annual consideration of \$1 payable on each anniversary date. The lease was renewed for an additional ten years on April 14, 2004.

JPAS did not occupy these premises until October 1994. Future minimum lease payments under this noncancellable operating lease are as follows:

April 15, 2007 through April 14, 2014 \$7

NOTE 10 – MORTGAGE PAYABLE

JPAS is the maker of a mortgage note payable in the original amount of \$77,022 at 6% per annum interest. The mortgage is to be paid in equal monthly installments of \$973, which includes principal and interest. The note is secured by a first mortgage on the land and building located at 1122 Clearview Parkway. As of June 30, 2006, the principal balance of the note is \$53,115, of which \$8,467 is due within the next twelve months. As of June 30, 2006, the note is in current condition.

Maturities of the mortgage payable for each of the next five years and thereafter are as follows:

2006-2007	\$ 8,467
2007-2008	8,989
2008-2009	9,543
2009-2010	10,132
2010-2011	10,757
Thereafter	<u>5,227</u>
	<u>\$53,115</u>

NOTE 11 – TEMPORARY RESTRICTIONS ON ASSETS

Temporarily restricted net assets are restricted by donors for specific purposes or designated for subsequent periods. At June 30, 2006 and 2005, temporarily restricted net assets are available for the following purposes or periods:

	2006	2005
Jefferson Parish building rental	\$ 190,013	\$ 219,944
City of Westwego Grant	103,667	207,335
	<u>\$ 293,680</u>	<u>\$ 427,279</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2006	2005
Time restrictions expired on		
Lease of 1118 Clearview Parkway	\$ 29,931	\$ 31,428
City of Westwego Grant	103,668	103,666
	<u>\$ 133,599</u>	<u>\$ 135,094</u>

NOTE 12 - PERMANENT RESTRICTIONS ON ASSETS

Net assets were permanently restricted for the formation of an endowment fund . The purpose of the endowment fund is to provide a perpetual source of money to assure the future growth and health of Jefferson Performing Arts Society. At June 30, 2006 and 2005, permanently restricted net assets totaled \$104,381 and \$97,657 respectively.

NOTE 13 - CREDIT RISK CONCENTRATION AND MAJOR FUNDING SOURCES

JPAS receives a grants from the Parish of Jefferson and the City of Westwego which comprises a significant portion of its revenue.

NOTE 14 - PROGRAM SERVICES

Program services include activities conducted year round with the JPAS Symphony Orchestra, JPAS Children's Chorus and Youth Chorale, Arts Adventure Series, Cultural Crossroads, SWAT, JPAS Theatre Wing, JPAS Chamber Orchestra, JPAS Symphony Chorus, JPAS Opera Theatre, JPAS Broadway Pit Orchestra and JPAS Summer Musical Theatre Workshops.

In addition, the above named affiliates and services have been expanded to our new facilities on the west bank of Jefferson Parish – in the Westwego Performing Arts Theatre and Teatro Wego! Dinner Theatre.

Also during the year concerts and shows are held for the general public and student population to further their appreciation of the arts in the community. These events are offered as either single or multiple performances.

NOTE 15 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 16 - SUBSEQUENT EVENT

On August 29, 2005 Hurricane Katrina struck the Gulf Coast area which includes southeast Louisiana. Future funding received from all sources may be affected. The amount cannot be reasonably estimated as of the date of the audit report.

SPECIAL REPORTS OF INDEPENDENT AUDITOR

Reginald A. Bresette, III
Limited Liability Company

Reginald A. Bresette, III, CPA

Member
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Society of Louisiana Certified Public Accountants

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
Jefferson Performing Arts Society

We have audited the financial statements of Jefferson Performing Arts Society (the Company) (a nonprofit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated May 16, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Company's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of finding and questioned costs as items 2006-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Company's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of Jefferson Performing Arts Society's management and the Legislative Audit Advisory Committee. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Reginald A. Bresette, III LLC
Certified Public Accountants

May 16, 2007

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2006

We have audited the financial statements of Jefferson Performing Arts Society (JPAS) as of and for the year ended June 30, 2006, and have issued our report thereon dated May 16, 2007. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States. Our audit of the financial statements as of June 30, 2006, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses – None

Reportable Conditions – None

Compliance

Compliance Material to Financial Statements – No

Compliance Immaterial to Financial Statements – Yes

Findings - The audited financial statements are required to be filed with the State of Louisiana Legislative Auditor within six months of the end of the fiscal year or December 31, 2006. The report was filed after that date.

Cause – Extenuating circumstances as a result of Hurricane Katrina resulted in a delay of the completion and submission of the report in a timely manner.

b. Federal Awards

JPAS did not receive federal awards during the year ended June 30, 2006.

Section II Financial Statement Findings

There were no financial statement findings during the fiscal year ended June 30, 2006.

Section III Federal Award Findings and Questioned Costs

JPAS did not receive federal awards during the year ended June 30, 2006.

SPECIAL REPORTS OF MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2006

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

JPAS had no material weaknesses or reportable conditions in internal control. Also, there were no compliance issues material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

JPAS did not receive federal awards during the year ended June 30, 2005.

SECTION III MANAGEMENT LETTER

There was no management letter issued for the audit year ended June 30, 2005.

MANAGEMENT CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2006

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

JPAS had no material weaknesses or reportable conditions in internal control. Also, there were no compliance issues material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

JPAS did not receive federal awards during the year ended June 30, 2005.

SECTION III MANAGEMENT LETTER

There was no management letter issued for the audit year ended June 30, 2005.